

Message Text

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17

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FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 6239

INFO AMEMBASSY BANGKOK

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

USLO PEKING

AMCONSUL MEDAN

AMCONSUL SURABAYA

UNCLAS JAKARTA 10748

E.O. 11652: N/A

TAGS: PINT, PFOR, ECON, ID

SUBJ: PRESIDENT SUHARTO'S STATE ADDRESS

1. PRESIDENT SUHARTO DELIVERED ANNUAL STATE ADDRESS AT OPENING OF 1976-77 PARLIAMENT SESSION AUGUST 16. TRADITIONAL TWO-HOUR SPEECH REVIEWED INDONESIAN POLITICAL PHILOSOPHY, GOVERNMENTAL PROGRAMS, AND ECONOMIC DEVELOPMENTS. SUMMARY OF SPEECH FOLLOWS. COMMENT WILL BE SENT SPETEL AND SPEECH TEXT WILL BE POUCHED TO EA/IMS.

2. AFTE DISCUSSION OF ROLE OF NEW ORDER IN RESTORING ADHRENCE OF INDONESIAN SOCIETY TO IDEALS OF PANCASILA, CONSITUION OF 1945 AND DEMOCRACY, SUHARTO TURNED TO FORTHCOMING GENERAL ELECTIONS AND URGED ALL PARTICIPANTS PLAY THE GAME ACCORDING TO THE RULES. HE SAID ELECTION NOT MEANT TO SPLINTER SOCIETY BUT RATHER TO STRENGTHEN NATIONAL UNITY, AND HIS STATEMENT THAT THERE MUST BE NO COERCION OR FORCE IN CAMPAIGNING PRODUCED ROUND OF

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APPLAUSE.

3. IN ASSESSING STATE OF NATION, PRESIDENT POINTED OUT THAT PER CAPITA GNP HAD RISEN FROM US\$89 IN 1965 TO US\$143 IN 1975. HE POINTED OUT THAT ALL AREAS OF SOCIETY HAVE ENJOYED DEVELOPMENT, AND THAT BOTH AGRICULTURAL AND INDUSTRIAL PRODUCTION HAVE INCREASED. THE PALAPA SATELLITE HAS IMPROVED COMMUNICATIONS, HE SAID. TRANSPORTATION FACILITIES HAVE BEEN IMPROVED, AND MORE SCHOOLS ARE BEING BUILT. HE WAS AGAIN APPLAUDED WHEN HE STATED THAT PARENTAL CONTRIBUTION (ASSESSMENT) FOR PUBLIC SCHOOLING WILL BE ABOLISHED NEXT YEAR FOR GRADES 1-3. SUHARTO OBSERVED THAT ALTHOUGH DEVELOPMENT HAD ONLY BEEN IMPLEMENTED FOR ONLY 8 YEARS, INDONESIAN PEOPLE ARE ALREADY LIVING BETTER AND LONGER. CULTURE AND RELIGION ARE FLOURISHING, HE REMARKED, BUT RELIGIOUS LEADERS MUST TAKE CARE THAT THEIR TEACHINGS CORRESPOND WITH CURRENT TRENDS AND ENCOURAGE MUTUAL UNDERSTANDING AND RESPECT. SUHARTO NOTED NEED FOR INCREASED EMPLOYMENT OPPORTUNITIES, AND STATED THAT TRANSMIGRATION EFFORTS THIS YEAR WERE FOCUSED ON PREPARATION OF LAND RESERVED FOR TRANSMIGRANTS. PRESIDENT ALSO POINTED WITH PRIDE TO OPERATION OF INPRES (PRESIDENTIAL INSTRUCTION) PUBLIC WORKS PROJECTS AND EXPANSION OF VILLAGE COOPERATIVES IN BUUD PROGRAM.

4. PRESIDENT SUHARTO THEN REFERRED TO RECENT OIL CONTRACT NEGOTIATIONS WHICH HE SAID WOULD GIVE INDONESIA GREATER AND FAIRER SHARE OF OIL INCOME. HE SAID HE APPRECIATED UNDERSTANDING SHOWN BY FOREIGN OIL COMPANIES AND MAINTAINED THAT INDONESIA STILL FOLLOWS POLICY OF WELCOMING FOREIGN INVESTMENTS. SUHARTO SAID FOREIGN AID WILL PLAY DECREASING ROLE IN FINANCING NATIONAL DEVELOPMENT BUT IS STILL NEEDED TO ACCELERATE THAT DEVELOPMENT. ALTHOUGH INDONESIA RECEIVES AID ON SOFT TERMS FROM WESTERN COUNTRIES IN IGGI, HE SAID, INDONESIA IS NOT NECESSARILY WESTERN ORIENTED BUT CONSIDERS AID AN ECONOMIC RATHER THAN A POLITICAL MATTER. HE SAID FOREIGN AID MUST HAVE NO POLITICAL STRINGS, MUST BE USED IN ACCORDANCE WITH GOI DEVELOPMENT PLAN, AND MUST BE IN KEEPING WITH REPAYMENT ABILITY. PRESIDENT STATED THAT LOAN REPAYMENTS ARE ECONOMICALLY SOUND IF THEY DO NOT EXCEED 20-0/0 OF FOREIGN EXCHANGE REVENUES. AND INDONESIA IS KEEPING BELOW THAT FIGURE. HE ALSO CALLED FOR AID TO LOCAL BUSINESSMEN SO THAT NATIONAL ECONOMY WOULD NOT BE TAKEN OVER BY OTHERS, BUT STRESSED THAT BASIC ATTITUDES TOWARD UNCLASSIFIED

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FOREIGN CAPITAL INVESTMENT HAD NOT CHANGED.

5. SUHARTO HAILED NON-ALIGNED CONFERENCE IN COLOMBO AS IMPORTANT EVENT AND REGRETTED HIS OWN INABILITY TO ATTEND. HE STATED INDONESIA HAS ALWAYS BEEN NON-ALIGNED AND HAS NEVER HAD FOREIGN MILITARY BASES OR MILITARY PACTS. HE OBSERVED THAT INDONESIA WOULD NOT TAG ALONG BEHIND OR BE DICTATED TO BY ANY COUNTRY REGARDLESS OF ITS SIZE AND STRENGTH, AND SAID SUSPENDED RELATIONS

WITH PRC SHOULD BE SEEN IN THAT LIGHT. PRESIDENT STATED INDONESIA WELCOMED EVERYWHERE INCLUDING NON-ALIGNED GROUP, ISLAMIC GROUP, GROUP OF 77, OPEC AND ASEAN (WHICH HE SAID IS DEVELOPING WELL), AND IT IS THEREFORE NOT TRUE THAT INDONESIA HAS BEEN SHUNNED BY THE WORLD.

6. PRESIDENT THEN TURNED TO EAST TIMOR PROBLEM AND COMMENTED THAT FATE OF EAST TIMOR PEOPLE CAN ONLY BE SETTLED ON THEIR OWN SOIL, NOT IN NEW YORK, LISBON, OR EVEN JAKARTA. HE SAID INTEGRATION OF EAST TIMOR HAD TO BE CARRIED OUT IN PROPER CONSTITUTIONAL MANNER AND ONE IMPORTANT STEP STILL REMAINS - THE CONFIRMATION OF INTEGRATION BY MPR FOLLOWING FORTHCOMING ELECTIONS. HE WAS AGAIN APPLAUDED WHEN HE PROCLAIMED OFFICIALLY THAT EAST TIMOR HAD INTEGRATED INTO INDONESIA IN COMPLIANCE WITH WISHES OF EAST TIMOR PEOPLE. HOWEVER, HE SAID, INDONESIA MUST STILL CONVINCE THE WORLD THAT INTEGRATION WAS TRUE WISH OF EAST TIMOR PEOPLE.

7. PRESIDENT THEN DISCUSSED SEVERAL PROBLEMS FACING GOVERNMENT, STATING THAT ALTHOUGH THERE WAS NO REASON TO BE DISCOURAGED ABOUT DEVELOPMENT PROGRESS, HE WAS AWARE OF PERSISTENT INEQUALITY IN SOCIETY AS WELL AS SHORTCOMINGS WITHIN GOVERNMENT APPARATUS. HE NOTED FIRM ACTION BEING TAKEN BY GOI TO SUPPRESS SMUGGLING, AND SAID CUSTOM REVENUES HAVE ALREADY INCREASED THEREFROM. NARCOTICS IS A SERIOUS DANGER WHICH MUST BE ELIMINATED, HE SAID, AND NEW NARCOTIC LAW WILL HELP. SUHARTO SAID GOVERNMENT WOULD NOT INCREASE SALARIES OF CIVIL SERVANTS THIS YEAR BUT WILL IMPROVE WORKING OF SALARY SYSTEM AND INCREASE PENSION. HE CAUTIONED PUBLIC SERVANTS TO PERFORM THEIR DUTIES WITHOUT ASKING FOR MONEY AND REQUESTED BUSINESSMEN TO REFRAIN FROM COMPENSATING OFFICIALS FOR SERVICES RENDERED. HE STATED THAT THOSE WHO OFFER BRIBES AND THOSE WHO ACCEPT THEM ARE EQUALLY GUILTY AND WAS AGAIN APPLAUDED. SUHARTO REITERATED

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APPEAL FOR MODERATE LIVING BY THE WEALTHY AND URGED SELF-CONTROL. HE REMARKED THAT COMMUNITY SELF-CONTROL HAS BEEN ENCOURAGED BY GROWING RESPONSIBILITY OF PRESS, BUT NOTED THAT SOME PUBLICATIONS HAD BEEN CLOSED BECAUSE THEY MISUSED THE PRESS. SUHARTO APPEALED TO STUDENTS AND YOUTH NOT TO BE PROVOKED OR MISLED BY IRRESPONSIBLE ELEMENTS. HE COMMENTED THAT NATIONAL RESILIENCE IS INCREASING AND MORE RAPID PROGRESS CAN BE MADE IN SOLVING PROBLEM OF POLITICAL DETAINEES. HE SAID CATEGORY A DETAINEES HAVE MOSTLY BEEN SENTENCED AND THE REMAINDER WILL CERTAINLY BE TRIED, WHILE CATEGORY B DETAINEES WILL HAVE THEIR CASES SPEEDED UP AFTER THE 1977 ELECTIONS. WE MUST WORK TO RE-INTEGRATE THEM INTO SOCIETY, HE SAID.

8. PRESIDENT CLOSED SPEECH WITH EXHORTATION TO PRACTICE ALL ASPECTS OF PANCASILA PHILOSOPHY. HE REITERATED THE IDEA OF

EKA PRASETIA PANCA KARSA, OR A PLEDGE TO IMPLEMENT THE FIVE
PRINCIPLES OF PANCASILA, AND SAID GOI WOULD RESEARCH TO
PRODUCE SUGGSTIONS FOR MPR GUIDELINES ON IMPLEMENTATION OF
PANCASILA.
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